

# WHAT HAPPENS IN THE LEASE-ASSUMPTION PROCESS?

GM Financial's lease assumption program helps facilitate a lease takeover from one party to another.



## REQUIREMENTS

Lease assumptions must meet the following requirements:

- » Original and assuming lessees must reside in the same state
- » Not attempting to transfer lease from a commercial to a non-commercial account, or vice versa
- » Lease is not in the first six months or the last 12 months of the contract end date
- » Assuming lessee must meet all of GM Financial's underwriting and credit guidelines
- » The account is current on payments and will remain current through the lease-assumption process
- » If a lease is contracted under multiple parties, the lease can be assumed by new lessees as long as all parties agree and sign third-party authorization forms and the new contract.

## 1 APPLICATION PROCESS

### A Original lessee contacts GM Financial to start lease assumption

- » *The process has started!* Within 3-5 business days, both parties will receive a third-party authorization form via FedEx or email, and the assuming (new) lessee will receive a credit application.



**TIME-SAVER TIP:** If both parties have provided us with email addresses, this step can go faster as we can communicate through email.

### B Once forms are returned, GM Financial will determine whether the lease assumption fits all of GM Financial's criteria

- » If the lease assumption is approved, the packet is sent to the assuming lessee first.
- » If lease assumption is not approved, GM Financial will notify both parties.

## 2 LEASE-ASSUMPTION PROCESSING

### A All account approvals and signatures must occur within the 30-day window, or GM Financial must recheck the assuming lessee's credit

- » If the lease assumption isn't finalized within the 30-day window due to missing documents, GM Financial must obtain new authorizations from the assuming party within 15 days. If we do not receive all documents or authorization in that period, the lease assumption process must start over.

### B Both parties sign the new contract

- » GM Financial sends the contract via FedEx overnight to the assuming lessee.



**TIME-SAVER TIP:** Up to seven days in the process can be saved if the original lessee and assuming lessee can arrange to sign the documents together.

- » If both parties do not sign documents together, assuming lessee signs and returns back to GM Financial. Then GM Financial sends it to the original lessee, who signs and returns it to GM Financial.
- » A \$595 transfer fee, along with any applicable taxes, are due to be paid by assuming lessee along with this paperwork.
- » Once GM Financial receives all documents, signatures and fees, it typically takes 3-5 business days to process.
- » Once GM Financial has approved all documents, the assuming lessee will receive a phone call and a welcome packet in the mail. The original lessee will receive a confirmation by mail also.

## 3 VEHICLE TRANSFER PROCESS

### A Original lessee should arrange vehicle handoff with assuming lessee

### B The process will vary depending on which state you live in, so follow the instructions on the registration packet you receive

### C Assuming lessee must register the vehicle at the tax assessor/motor vehicle department/Secretary of State office listed on the vehicle registration form

- » Assuming lessee must register within 15 days of registration notification or receipt of title paperwork sent to them by GM Financial.
- » GM Financial is not responsible for upfront taxes not paid by original lessee, or penalties charged by the state if the registration is allowed to expire.

### D There is a transfer period in which your state's driver licensing and vehicle registration office processes the new registration

- » The exact length of this process is outside of GM Financial's control.
- » The vehicle is not registered until confirmed by the state entity responsible for registration.
- » This period varies from state to state and can take up to 20 days.

### E Assuming lessee needs to have a signed authorization that he or she has insurance

### F Assuming lessee needs to complete any state or local vehicle inspections as required by law